GRAIN TRANSPORTATION REPORT

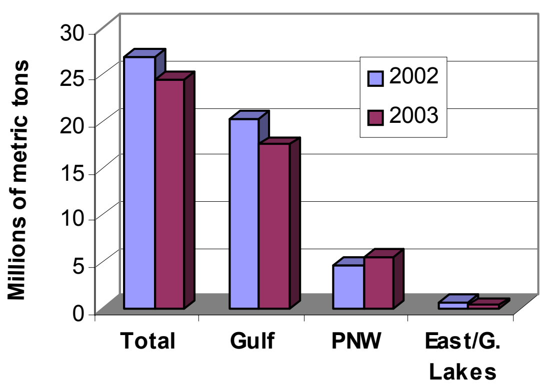
Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

JUNE 26, 2003

TM GRAIN TRANSPORT COST INDICATORS	Truck	Rail	Barge	Ocean Gulf	Ocean PNW
Indicator Value* for 06/26	95	105	87	135	161
Compared to Last Week	↓	↑	↑	↓	↑

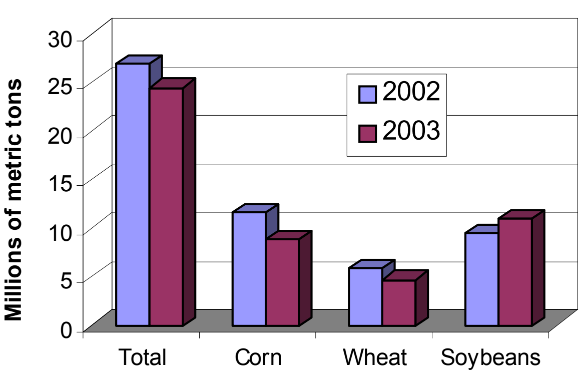
*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan

Figure 1--First Quarter Grain Inspections by Ports



Source: Federal Grain Inspection Service, USDA

Figure 2--First Quarter Grain Inspections by Commodity



Source: Federal Grain Inspection Service, USDA

First Quarter Total U.S. Grain Inspections Down, Up in PNW. For the first quarter of 2003, the Federal Grain Inspection Service (FGIS) inspected 24.45 million metric tons of grain (wheat, corn, and soybeans) for export in all U.S. ports (figure1). While this is down 12 percent from the fourth quarter of 2002, it is 9 percent below the first quarter of 2002 and 3 percent below the 5-year average. Total grain inspected for export by FGIS at the Gulf ports totaled 17.57 million metric tons, down 14 percent, and total grain inspected in the Pacific Northwest (PNW) totaled 5.44 million metric tons, up 19 percent from the first quarter of 2002. While the grain inspected at the Gulf ports was down 5 percent from the 5-year average, the grain inspected in the PNW was 5 percent above the 5- year average. The PNW experienced an increase in corn and soybeans inspected for export. Grain inspected for export at the East and Great Lakes ports totaled 0.28 million metric tons, down 55 percent from the previous year and 48 percent from the 5-year average.

Soybean Inspection Up During First Quarter, Corn and Wheat Down. While total grain inspected declined, soybeans inspected for exports in all U.S. ports, at 10.98 million metric tons (figure 2) during the first quarter of 2003, were up 16 percent from first quarter of 2002 and down 2 percent from the fourth quarter of 2002. The amount of soybeans inspected was 34 percent above the 5-year average. FGIS inspected 8.79 million metric tons of corn and 4.69 million metric tons of wheat for export during the first quarter. Corn inspected for export is down 14 percent from the previous quarter and down 24 percent from the first quarter of 2002. It is also down 20 percent from the 5-year average. Inspected wheat is down 26 percent from the previous quarter and 19 percent from the first quarter of 2002. It is also 21 percent below the 5-year average. While only the PNW experienced an increase in the amount of corn inspected, the Gulf and PNW experienced an increase in the amount of soybeans inspected for export, compared with the first quarter of 2002. Surajudeen.Olowolayemo@usda.gov, Johnny.Hill@usda.gov

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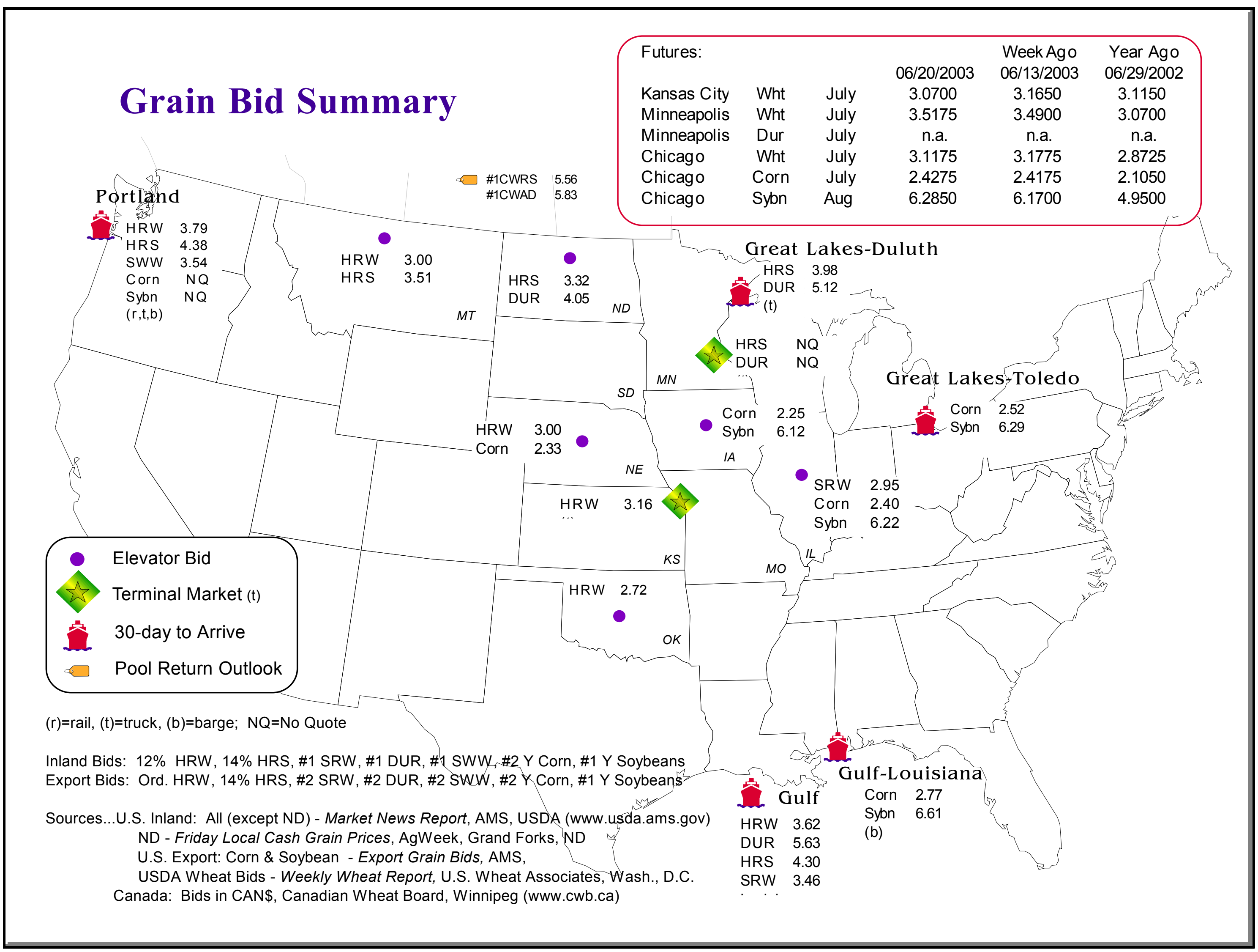
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.37	-0.35
Corn	NE -- Gulf	-0.44	-0.38
Soybean	IA -- Gulf	-0.49	-0.43
HRW	KS -- Gulf	-0.46	-0.51
HRS	ND -- Portland	-1.06	-1.05

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



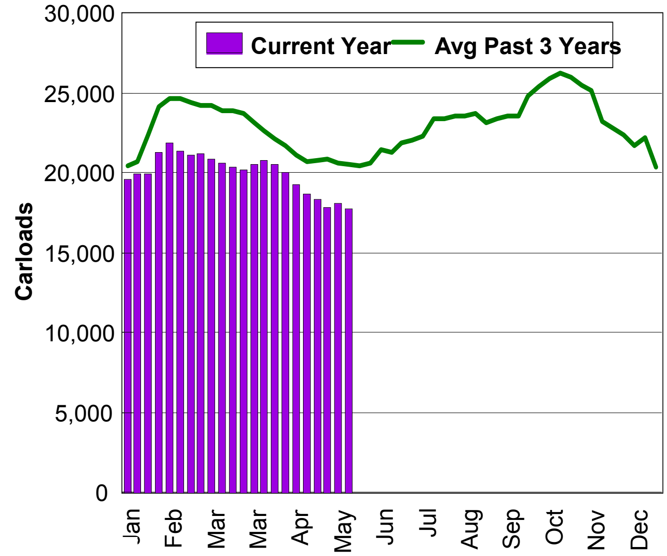
RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

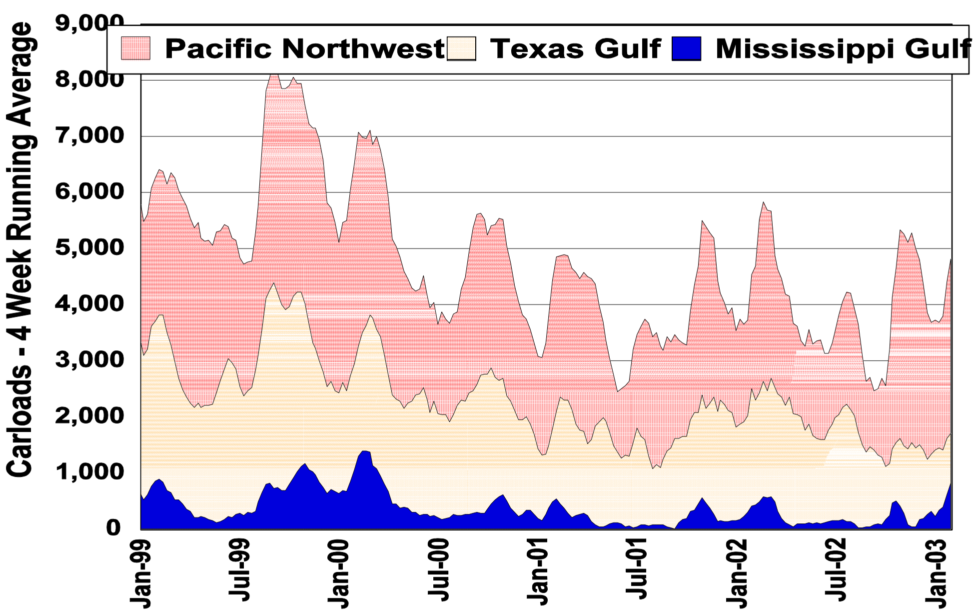
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
06/04/03	83	2,163	2,062	87	4,395
06/11/03	106	1,183	1,333	162	2,784
YTD 2003	8,406	22,744	66,004	8,970	105,833
YTD 2002	6,098	44,482	47,747	12,244	110,571
% YTD 2002	138%	51%	138%	73%	96%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Grain Car Loadings for Class I Railroads



Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
06/14/03	2,570	3,389	6,353	289	6,083	18,684	3,488	3,522
This Week Last Year	2,584	3,012	6,626	490	6,215	18,927	3,742	3,098
2003 YTD	66,394	77,148	173,256	7,799	154,645	460,558	80,281	81,585
2002 YTD	68,146	75,081	173,733	13,623	159,404	489,987	98,036	85,910
% of Last Year	97%	103%	100%	57%	97%	94%	82%	95%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765
U.S. Rail Covered Hopper Cars Online Index*								
May-03	95.5	99.6	93.2	91.3	90.6	93.7		

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, $/Car - Last Auction

Delivery for:	Aug-03	Sep-03	Oct-03
COT/N. Grain	$0	$3	$2
COT/S. Grain	$0	$0	no bid
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	no bid	$2	$1

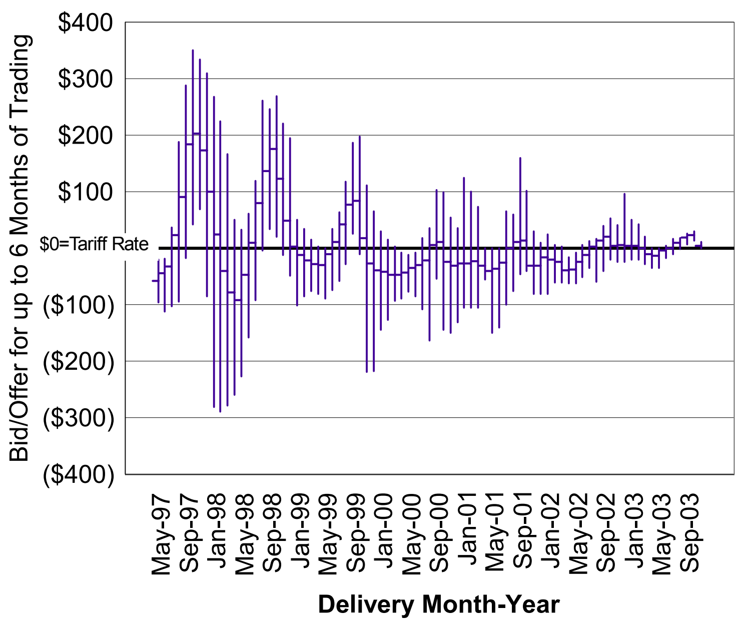
Source: Transportation & Marketing/AMS/USDA.
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Secondary Rail Car Market

Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Jul-03	Aug-03	Sep-03	Oct-03
BNSF-GF	$5	$11	$14	$21
UP-Pool	$15	$13	$17	$26

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

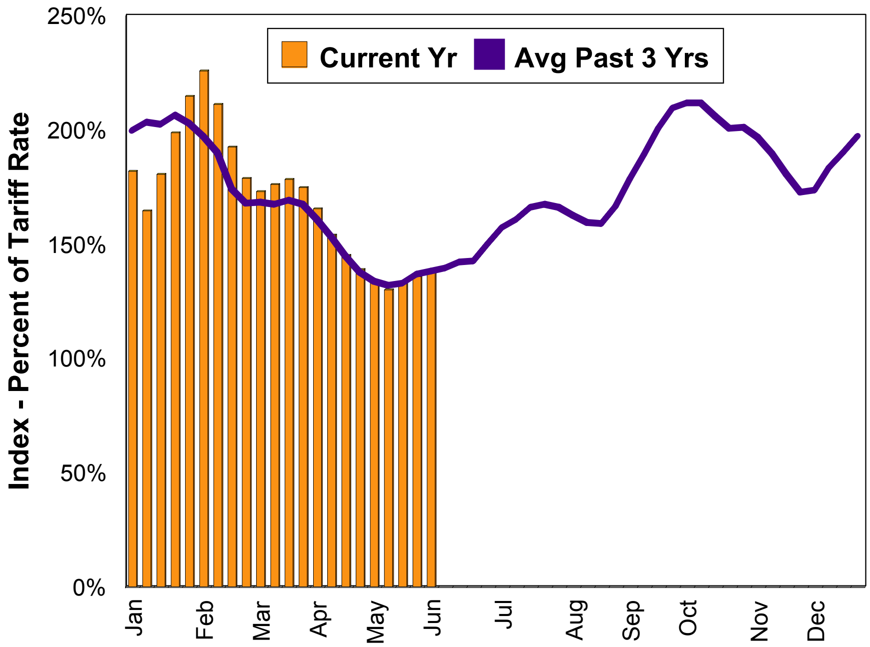
May 2003

Source: www.bnsf.com., approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu*

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
06/02/03	113710	Wheat	Kansas City, MO	Galveston, TX	$1,720	$18.96	$0.52
06/02/03	43521	Wheat	Minneapolis, MN	Portland, OR	$4,148	$45.72	$1.24
06/02/03	46540	Wheat	St. Louis, MO	Houston, TX	$1,795	$19.79	$0.54
06/02/03	113710	Wheat	Kansas City, MO	Laredo, TX	$2,180	$24.03	$0.65
06/02/03	15507	Wheat	Chicago, IL	Albany, NY	$1,834	$20.22	$0.55
06/02/03	31005	Corn	Minneapolis, MN	Portland, OR	$3,050	$33.62	$0.85
06/02/03	1132.002	Corn	Chicago, IL	Baton Rouge, LA	$1,845	$20.34	$0.52
06/02/03	1132.03	Corn	Council Bluffs, IA	Baton Rouge, LA	$1,970	$21.72	$0.55
06/02/03	113210	Corn	Evansville, IN	Raleigh, NC	$1,816	$20.02	$0.51
06/02/03	1132	Corn	Des Moines, IA	Laredo, TX	$2,595	$28.60	$0.73
06/02/03	61110	Soybean	Minneapolis, MN	Portland, OR	$3,030	$33.40	$0.91
06/02/03	1144	Soybeans	Chicago, IL	Baton Rouge, LA	$2,736	$30.16	$0.82
06/02/03	1144	Soybeans	Council Bluffs, IA	Baton Rouge, LA	$2,799	$30.85	$0.84
06/02/03	1144	Soybeans	Des Moines, IA	Laredo, TX	$2,864	$31.57	$0.86
06/02/03	11441	Soybeans	Evansville, IN	Raleigh, NC	$1,816	$20.02	$0.54

Barge Transportation

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	6/18/03	6/11/03	July '03	Sept '03
Twin Cities	199	188	197	226
Mid-Mississippi	162	151	162	199
Illinois River	150	140	151	191
St. Louis	102	104	116	180
Lower Ohio	115	116	131	192
Cairo-Memphis	99	100	111	174

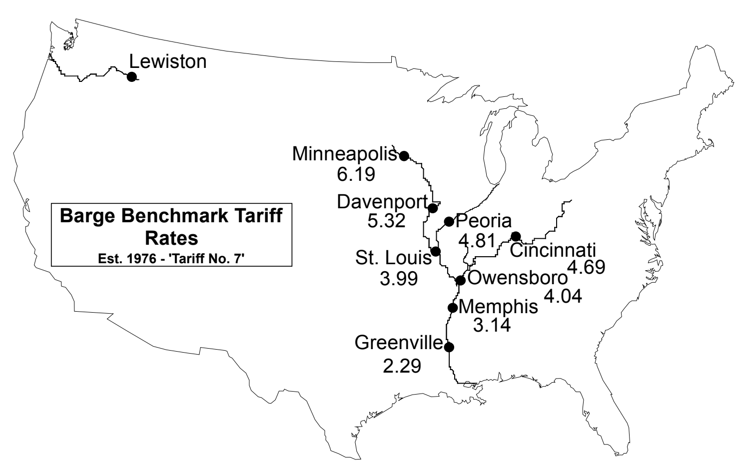
Source: Transportation & Marketing /AMS/USDA

BARGE FUTURES MARKET

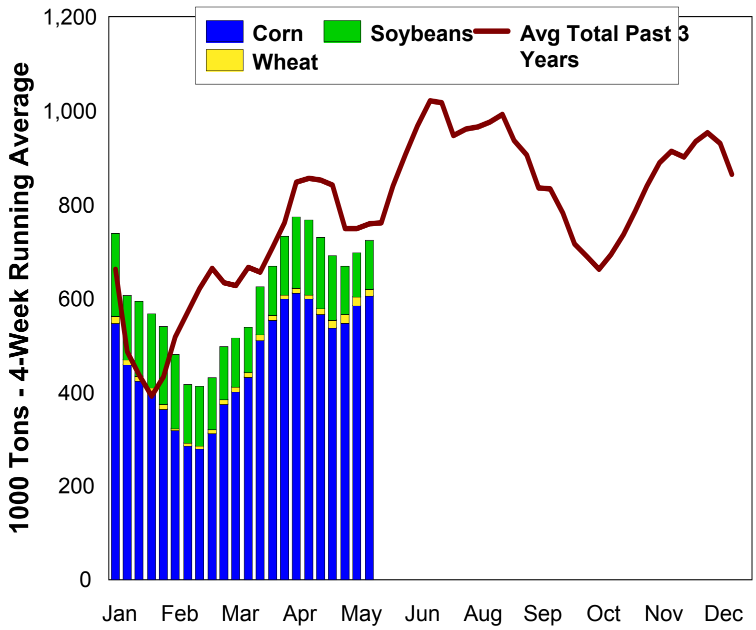
Southbound Barge Freight Nominal/Cash Basis Values
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

			Rate	
Week ended	**River/Region**	**Contract Period**	**Futures**	**Cash**
6/24/03	St. Louis	July	n/a	125
		Sept	n/a	175
		Nov	n/a	155
		Dec	n/a	135
		Jan	n/a	135
	Illinois River	July	n/a	153
		Sept	n/a	190
		Nov	n/a	175
		Dec	n/a	170
		Jan	n/a	195

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements (1,000 Tons)
for week ending 6/14/03

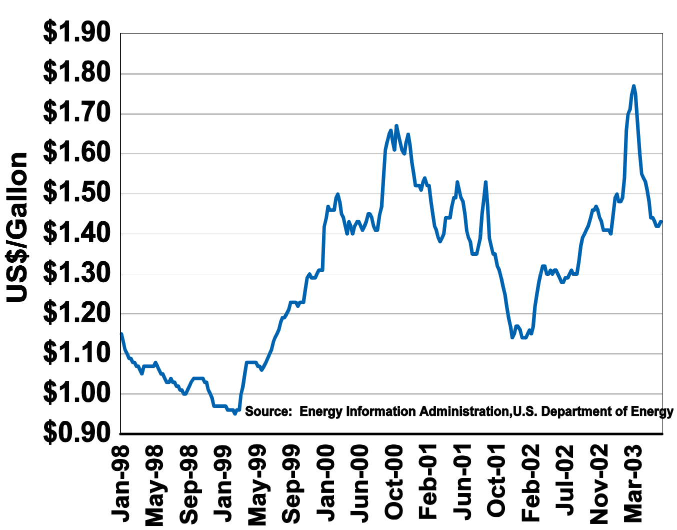
	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	365	15	83	463
Winfield, MO (L25)	480	12	106	598
Alton, IL (L26)	699	9	133	844
Granite City, IL (L27)	724	16	133	873
Illinois River (L8)	131	0	20	152
Ohio River (L52)	29	0	5	50
Arkansas River (L1)	0	9	0	9
2003 YTD	13,032	742	4,263	18,459
2002 YTD	15,785	992	4,985	22,587
% of 2002 YTD	83%	75%	86%	82%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers,
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

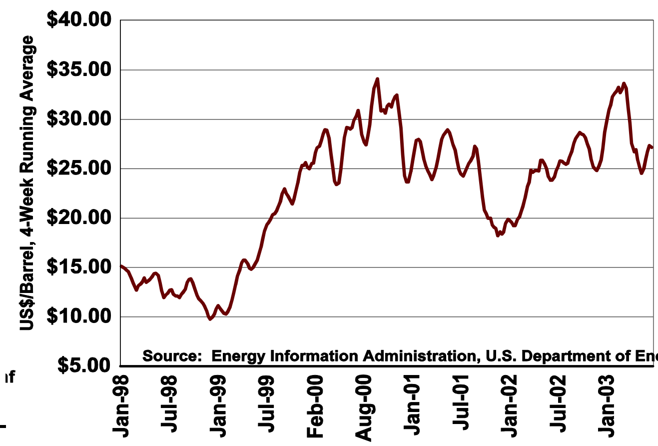
Truck Transportation

The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly U.S. Retail Road Diesel Price



Weekly Brent Crude Price, Friday Close



Crude Oil Prices (06/24/03) US$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	28.18	29.43	↓
Brent Crude	26.73	26.93	↓

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)									
				Wheat			Corn*	Soybean*	Total
	HRW	SRW	HRS	SWW	DUR	All			
06/12/2003	1,467	385	1,046	556	158	3,612	5,862	3,029	12,503
This Week Year Ago	1,201	313	828	475	80	2,897	6,414	2,652	11,963
Commulative Exports-Crop Year									
03/04 YTD	304	29	197	118	16	664	31,191	26,547	58,402
02/03 YTD	239	79	145	212	3	677	36,917	26,301	63,895
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185

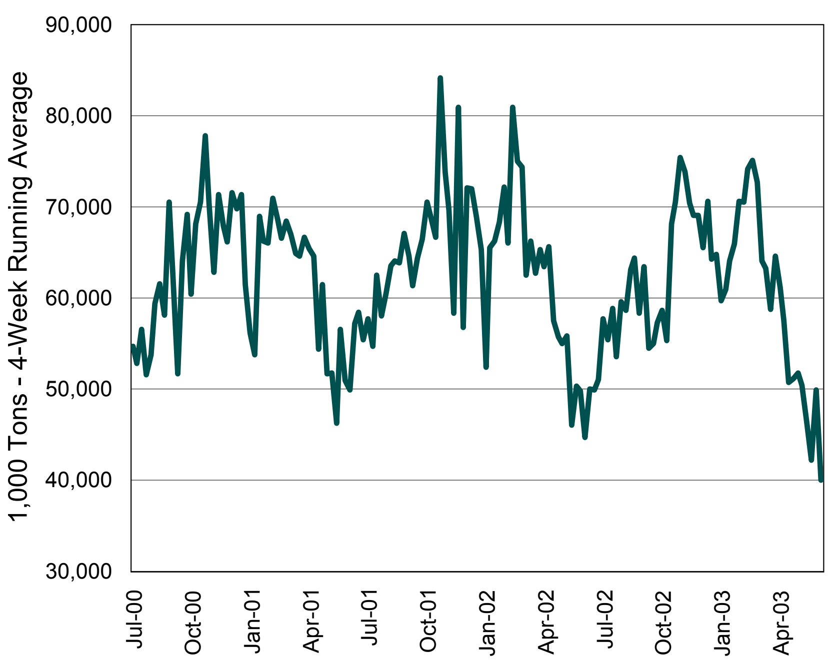
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)

Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Pacific*	*Mississippi*	*Texas*
06/19/03	110	59	0	10	613	59	115	0	0	169	681	115
2003 YTD	3,976	2,454	2,522	1,901	13,086	9,233	2,155	529	50	8,952	24,219	2,734
2002 YTD	4,010	2,124	1,309	2,771	18,341	9,275	2,908	138	246	7,443	30,387	3,292
% of 2002 YTD	99%	116%	193%	69%	71%	100%	74%	383%	20%	120%	80%	83%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export



Select Canadian Port Export Inspections
1,000 Metric Tons, Week End Summary

06/19/2003	Wheat	Durum	Barley
Vancouver	105	5	
Prince Rupert			
Prairie Direct	5		
Thunder Bay	18		
St. Lawrence	4,492	2,329	290
2001/02 YTD	10,666	2,963	961
2002/03 YTD	4,620	2,334	290
% of Last Year	43%	79%	30%

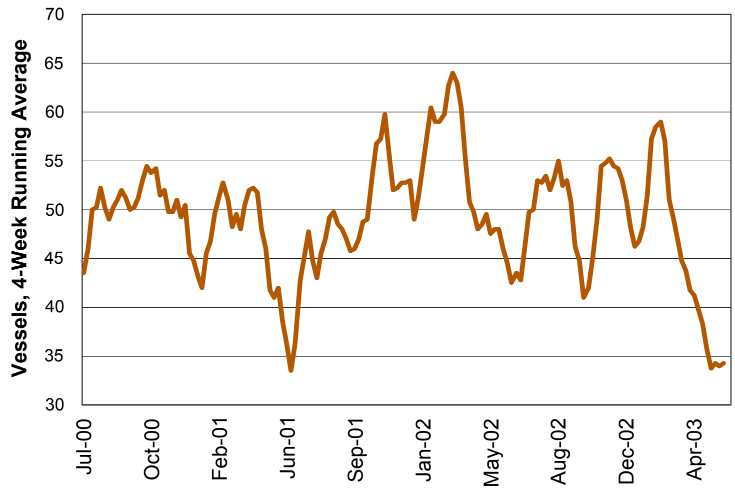
Source: Canadian Grains Commission, Crop Year 8/1-7/31

Port Region Ocean Grain Vessels

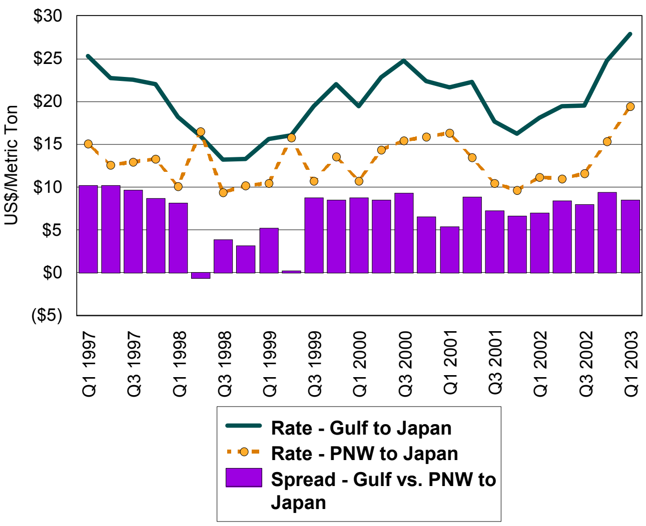
	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
06/12/03	24	42	47	10	6
06/19/03	24	38	58	3	8
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading
Past 7 Days



Grain Vessel Rates to Japan



Quarterly Ocean Freight Rates
Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2003 1st Qtr	2002 1st Qtr	% Change		2003 1st Qtr	2002 1st Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$27.91	$18.25	53%	Japan	$19.43	$11.31	72%
Mexico	-	$31.49	-				
Venezuela	$15.00	-	-				
				Argentina/Brazil to			
N. Europe	$14.50	$10.67	36%	Med. Sea	$25.35	$17.85	42%
N. Africa	-	$17.58	-	N. Europe	-	$13.48	-
Med. Sea	$14.50	$10.97	32%	Japan	-	$25.59	-

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates for Selected Shipments - week ending 6/21/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
U.S. Gulf	No. Continent	Grains	June 15/25	55,000	$18.20
U.S. Gulf	Japan	Heavy grain	Jul 1/5	54,000	$30.00
U.S. Gulf	Japan	Heavy Grain	Jul 25/30	54,000	$29.40
River Plate	Spain	Heavy Grain	June 16/25	30,000	$24.50
River Plate	China	Heavy Grain	June 15/20	55,000	$35.50
Norfolk	Latvia	Wheatflour Bggd	Jun 20/30	1,650	$70.61*

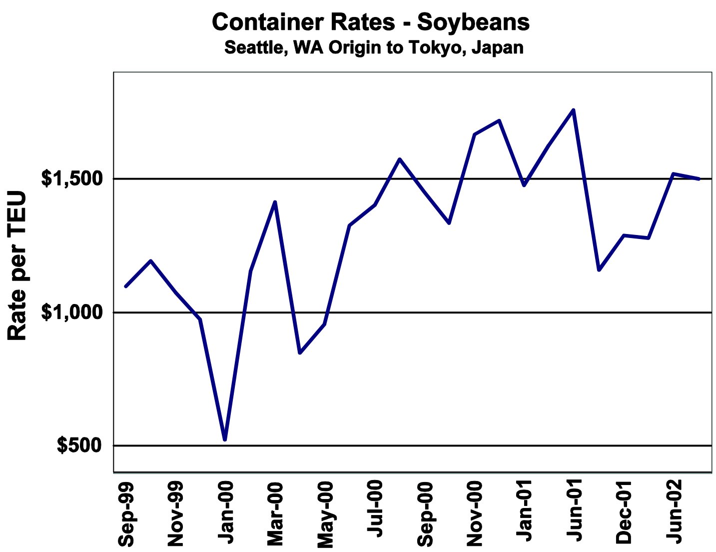
Source: Maritime Research Inc.

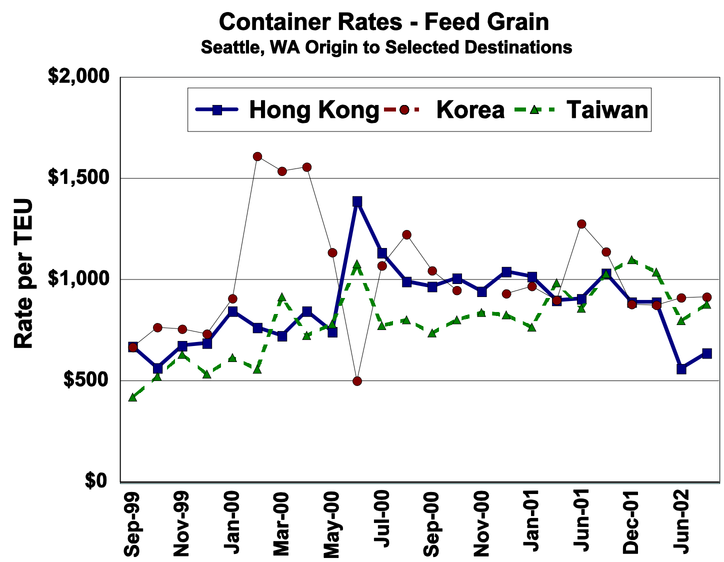
Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

CONTAINER

Container Ocean Freight Rates
Average Rate per TEU, Weighed by Shipping Line Market Share
Source: Transportation & Marketing/AMS/USDA, Quarterly Updates





Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.